APPENDIX 2.

(See Art. 46.)

Extract from the rules regarding Income-tax Refunds.

1. All refunds will be granted on the special income-tax form of refund.

2. Each order for refund of income-tax contains the following certificates :—

(*i*) Certified that with reference to the assessment record of for the year No. a refund of Rs. is due to

(*ii*) Certified that the income-tax concerning which this refund is given has been credited in the treasury.

(*iii*) Certified that no refund order regarding the sum now in question has previously been granted and this order of refund has been entered in the original file of assessment under my signature.

* * * * * * *

The whole onus of granting a refund is on the Income-tax Officer alone and it will be a part of the duties of inspecting officers, and not of the Accounts Department, to see that the rules have been properly observed.

3. Each order of refund will be numbered serially and will be stamped with the stamp of the office of issue. The month of the date of issue will be written and not indicated by a figure.

4. The books of refund vouchers will remain in the personal custody of the income-tax officer who will intimate to the treasury officer, sub-treasury officer or to the Branch of the Imperial Bank of India, as the case may be, the book which he is using. In the case of special circles dealing with salary cases the number of the book brought into use will be notified to the Accountant General, who will publish it in the *Gazette*. Income-tax Officers will maintain separate refund order books for each treasury or sub-treasury.

* * * * * * *

7. A refund voucher will ordinarily be made payable only within the circle in which it is issued, the place of payment being the sub-treasury or the treasury of the district, unless there is a Branch of the Imperial Bank of India in the district doing Government business, in which case the voucher will be made payable there. But, if for particular reasons, the voucher has to be sent to another district the sub-treasury officer, treasury officer of the district or the Agent of the Imperial Bank where the voucher is made payable will be informed by the Income-tax Officer. In the case of special circles dealing with salary cases the voucher can be cashed in any sub-treasury, treasury or Branch of the Imperial Bank which falls within the area of the circle.

8. The encashment of refund vouchers issued as payable in a district within an income-tax circle will be verified by treasury officers at fixed intervals of not more than one month as may be arranged with Income-tax Officers. Where a voucher is issued as payable in a district other than that comprised in the circle the fact of payment will be notified to the Income-tax Officer by the treasury officer.

9. Where a refund is paid by money order the Income-tax Officer will show the amount found to be due for refund in the first certificate of the voucher, but will pass for payment a sum representing the amount due for refund *plus* the amount of money order commission. For instance, if the refund were for a sum of Rs. 25, the entry in item 4 of the refund voucher would be "Passed for payment of Rs. 25 annas four (Rs. 25-4-0), that is, Rs. 25 as above *plus* Re. 0-4-0 money order commission". The voucher will be sent to the treasury officer with the money order form filled up and with a request for the issue of a money order in the ordinary course. The appropriate details will be entered in the counterfoil of the refund voucher. The sum passed for payment will be shown by the treasury officer under the head "refunds", in the treasury accounts. The money order receipt issued by the Post Office will be forwarded by the treasury officer to the Income-tax Officer who will attach it to the counterfoil of the refund voucher.

10. If a refund under section 48 or 49 of the Indian Income-tax Act is due to an assessee who is not resident in India, it will be remitted to him direct by a bank draft or money order at his cost unless he appoints an agent to receive payment in India.

11. When a duplicate voucher is asked for because the period of the original voucher has expired the original should be cancelled by the Income-tax Officer and attached to its counterfoil. A new voucher will then be issued, necessary cross references being entered in the counterfoils of both vouchers.

12. When a duplicate voucher is asked for on the ground that the original has been lost, the duplicate will not be issued until the period of the original voucher has expired and until the Income-tax Officer has satisfied himself that it has not been cashed and has stopped payment of it at the treasury on which it was issued.

13. In the special salary circles, when a refund is due to a person in receipt of salary which is being taxed at the source, the Income-tax Officer may, if convenient to the assessee, *e.g.*, in the case of railway servants in receipt of small pay who have no banking account, grant the refund, by authorising short payments of the tax due on the next salary or pay bill or bills. Where this procedure is adopted the fact of the deduction should be noted in the monthly invoice of income-tax deductions.